

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Number: **201324009**

Release Date: 6/14/2013

Index Number: 355.10-00, 367.03-01,
368.02-00, 1032.00-00

Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:CORP:B03
PLR-149032-12

Date:
March 14, 2013

Legend:

gg =

hh =

Dear :

This letter responds to your representative's letter dated November 9, 2012, requesting that we supplement the private letter rulings dated April 12, 2012 (PLR-149071-11) (the "Original Ruling"), and September 6, 2012 (PLR-137492-12 and PLR-120264-12) (collectively, with the Original Ruling, the "Rulings"). The original letter was supplemented with letters dated February 25 and March 13, 2013. The material information submitted for consideration is summarized below. Capitalized or underlined terms not defined in this letter have the meanings assigned to them in the Rulings.

The rulings contained in this letter are based on facts and representations submitted by the taxpayer and accompanied by penalties of perjury statements executed by the appropriate party. This office has not verified any of the materials submitted in support of the request for rulings. Verification of the information, representations, and other data may be required as part of the audit process.

SUPPLEMENTAL FACTS

Certain proposed transactions described in the Original Ruling have been executed by the taxpayer in modified form. Following is a description of the modifications:

Modification of Contribution 9 and Contribution 10

Before Distribution 15, Controlled 10, pursuant to an umbrella agreement also covering Contribution 9, declared a share premium redemption to Distributing 8 (the “Business B Cash Distribution”), a portion of which was settled in cash immediately before Distribution 15 and the remainder of which was settled in cash immediately after Distribution 17.

Before Distribution 16, Controlled 6, pursuant to an umbrella agreement also covering Contribution 10, distributed cash to Distributing 8 (the “Business A Cash Distribution”).

The rulings related to Contribution 9 and Contribution 10 are modified to reflect these changes.

Repurchase and Contribution of Controlled 11 Shares

Before Distribution 17, (i) Controlled 11 purchased approximately gg Controlled 11 shares from Distributing 9 using cash provided by Distributing 9, and (ii) Distributing 9 contributed approximately hh shares of Controlled 11 to a wholly owned subsidiary of Controlled 11 (which subsidiary was a disregarded entity) in exchange for no consideration.

SUPPLEMENTAL RULINGS

Contribution 9

Ruling 226 in the Original Ruling is modified as follows. As modified, the rulings related to Contribution 9 remain in full force and effect.

(226) No gain or loss will be recognized by Distributing 8 on Contribution 9, except for gain recognized as a result of cash received by Distributing 8 in connection with the Business B Cash Distribution from Controlled 10 that is retained by Distributing 8 in pursuance of the plan of reorganization (§§ 357(a), 361(a), and 361(b)).

Contribution 10

Ruling 236 in the Original Ruling is modified as follows. As modified, the rulings related to Contribution 10 remain in full force and effect.

(236) No gain or loss will be recognized by Distributing 8 on Contribution 10, except for gain recognized as a result of money received by Distributing 8 in connection with the Business A Cash Distribution from Controlled 6 that is retained by Distributing 8 in pursuance of the plan of reorganization (§§ 357(a), 361(a), and 361(b)).

Miscellaneous

The supplemental facts submitted shall have no adverse impact on any of the Rulings, which, as modified, shall remain in full force and effect.

CAVEATS

No opinion is expressed about the tax treatment of the proposed transactions under other provisions of the Code or regulations or the tax treatment of any conditions existing at the time of, or effects resulting from, the proposed transactions that are not specifically covered by the above rulings. In particular, no opinion is expressed regarding whether any of Distributions 1 through 18 or any of the transactions described in this letter: (i) satisfies the business purpose requirement of § 1.355-2(b); (ii) is used principally as a device for the distribution of the earnings and profits of any distributing corporation or controlled corporation or both (see § 355(a)(1)(B) and § 1.355-2(d)); or (iii) is part of a plan (or series of related transactions) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest in the distributing corporation or the controlled corporation (see § 355(e) and § 1.355-7). Further, no opinion is expressed as to the reporting requirements of U.S. persons exchanging Target stock under § 6038B and the regulations thereunder.

PROCEDURAL STATEMENTS

This ruling is directed only to the taxpayers requesting it. Section 6110(k)(3) provides that it may not be used or cited as precedent.

A copy of this ruling letter should be attached to the federal income tax return of each taxpayer involved for the taxable year in which the transaction covered by this ruling letter is consummated. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

In accordance with the power of attorney on file with this office, a copy of this letter is being sent to your authorized representatives.

Sincerely,

Isaac W. Zimbalist
Senior Technician Reviewer, Branch 5
Office of Associate Chief Counsel (Corporate)

cc: